

**HOUSE COMMITTEE
ON
AGRICULTURE**

House Bill 478

**Testimony of Greg Ames
Administrator, Agricultural Sciences Division
Montana Department of Agriculture**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Good afternoon, my name is Greg Ames. I am the Administrator of the Agricultural Science Division with the Montana Department of Agriculture. We understand the concept behind the bill and support small businesses, farmer markets, and other venues that promote "grow and buy local." The Department has some concerns with House Bill 478.

One of the department of agriculture's top priorities is to protect the health and safety of Montana agriculture. In administering the nursery program, we accomplish several objectives; consumer protection, information and awareness, and perform inspections for a vibrant and healthy nursery industry. A healthy nursery industry, in turn, protects the health of all Montana agriculture. Let me provide you with three examples of pest management in the nursery industry that protect agricultural interests.

- 1) Many varieties of barberry, an ornamental shrub, are host to black stem rust, a serious wheat disease.
- 2) Our late blight disease quarantine not only protects tomato and pepper plants but also protects the potato industry.
- 3) The European Pine Shoot Moth is an invasive species that threatens our Christmas tree industry, forests, timber industry, and tourism. The European Pine Shoot Moth is widespread in Idaho and has had a severe impact on many industries in Idaho. The pest is not yet in the state of Montana.

We are also concerned about a number of other plant pests including Light Brown Apple Moth and Potato Cyst Nematode. Many of these pests exist in neighboring states

and Canada. They can be difficult to control and treat, and often times can go undetected without inspection.

The ability to accomplish the responsibilities and tasks associated with promoting and protecting healthy agriculture comes at a cost. License fees provide 98 percent of the nursery program's revenue. In FY 2008, license fees generated \$104,880 in program revenue. House Bill 478 seeks to change the fee structure, resulting in a \$41,000 reduction in revenue. This represents a 39 percent negative revenue impact to the program.

If HB 478 passes, the department may, upon approval, initiate rule making to raise the licensing fee for the remainder of the 673 nurseries, which would not be exempt, to the maximum of \$125.00. The rule making process would take 3 to 6 months, assuming we obtained approval, and the department would still be short about \$21,000 in revenue. Obtaining approval to initiate rule making is not always given. It involves acceptance by the industry, obtaining director and executive approval and public comment.

It is vitally important to the department that every nursery in the state have a license. The department needs the ability to identify and contact nurseries to communicate pest risks; identify sources of pests, diseases, and contamination; conduct trace-forwards, trace-backs; and other preventative, management, and control activities associated with investigations.

We can certainly appreciate the citizen concerns brought to Representative Grinde and her effort to try to find a solution that meets those expressed needs. We do, however, have to be able to pay for the services that provide the protection that ensures the health and safety of all Montana agriculture. Any proposed change to the current fees and fee structure in the nursery program needs to be revenue neutral, having no fiscal impact.

I urge your careful consideration of the impacts of the bill. As currently proposed, the department of agriculture cannot support House Bill 478.